



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 30 (ending 24/07/2015)

"Life is what happens while you are busy making other plans." - John Lennon

S&P upgrades Irish banks - Following on from its decision to upgrade the Irish sovereign in June, Standard & Poors announced this week that it has raised the credit ratings on Bank of Ireland, Allied Irish Banks and Permanent TSB. In S&P's view, risks to the Irish banking industry have decreased on the back of improved profitability and lower risk appetite. Furthermore, S&P expects that the structure of the industry will remain broadly stable with few new players and a primary focus on domestic retail and business banking.

Central Bank rules weigh on mortgage approval growth - This morning's release from the Banking and Payments Federation of Ireland (BPFI) shows a significant slowdown in the growth in mortgage approvals. Total approvals were up just 11.3% year-on-year in Q2. This compares to stellar growth of +44% year-on-year in Q1 and +58% year-on-year in Q4. Irish lenders approved €2.68bn in new loans in H1 2015

Greek parliament approves new bailout reforms - Athens has now accepted conditions imposed on it by its international lenders and on Thursday the Greek parliament approved a second package of reforms required to start talks on a financial rescue deal.

Sterling gains against the euro on expectation of rate rises - Stock markets closed down on Wednesday. The Euro Stoxx 50 closed down 0.3% and the S&P 500 0.2%. Poorly received results from Apple hurt sentiment. Sterling is currently trading at 70p against the euro, benefitting from Wednesday's Bank of England policy meeting minutes which were seen as paving the way for UK interest rate rises in the not too distant future.

Weaker Euro-Zone consumer confidence - Thursday's euro-zone consumer confidence survey surprised most forecasters to the downside, the index falling for a fourth consecutive month to -7.1 in July from -5.6 previously. Euro-zone flash PMIs are due today with consensus expectations for little change in the euro-zone composite PMI on the June number of 54.2 unlikely to be borne out. One possible explanation for the weakness in the July surveys is the Greek crisis, suggesting a bounce-back in August. However, euro-zone surveys have been softening since April, well before the Greek crisis came to the boil in late June.

China's market aftershock felt in global earnings - China's recent market turmoil is turning out to be a factor in earnings reports, with multiple companies citing the nation's slowdown as an impact on orders for goods.

The Story of the week: It is just over two years (May 2013) since the launch of the hugely successful Irish Life Retail MAPS Funds. A significant milestone was passed last Friday as the funds went through the €1 billion Euro mark in assets under management!!



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Index Performances and Market Data*

Equity Markets (%)	2010	2011	2012	2013	2014	2015 YTD (to 23/07)
ISEQ	-3.0	0.6	14.7	35.8	16.8	27.1
FTSE 100	9.0	-5.6	6.0	18.7	0.7	3.5
Euro Stoxx 50	-0.1	-17.7	13.4	21.5	4.0	17.8
S&P 500	12.8	0.0	12.4	32.4	13.7	3.2
Nasdaq	16.9	-1.8	14.1	36.9	14.8	8.7
Nikkei	-3.0	-17.3	16.24	59.4	7.1	18.6
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	0.9
MSCI World	17.2	-7.62	12.1	26.3	10.4	5.5
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.3
German	3.0	1.8	1.4	1.9	0.5	0.7
UK	3.4	2.0	1.9	3.0	1.9	1.9
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	1.4
Italy	4.8	7.1	4.6	4.1	2.1	1.9
Greece	12.5	31.7	12.7	8.2	9.6	10.9
Portugal	6.6	13.4	6.9	6.1	2.7	2.5
Spain	5.5	5.1	5.4	4.1	1.6	1.9
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25



Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.09
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.70
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.55
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

*Past performance is not a reliable guide to future performance